

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
LAREDO DIVISION**

IN RE	§	
	§	
MOG PRODUCING LP,	§	CASE NO. 16-50010
Debtor	§	CHAPTER 11
	§	

MOTION OF TEXAS CHAMPION BANK FOR RELIEF FROM THE STAY

THIS IS A MOTION FOR RELIEF FROM THE AUTOMATIC STAY. IF IT IS GRANTED, THE MOVANT MAY ACT OUTSIDE OF THE BANKRUPTCY PROCESS. IF YOU DO NOT WANT THE STAY LIFTED, IMMEDIATELY CONTACT THE MOVING PARTY TO SETTLE. IF YOU CANNOT SETTLE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PART AT LEAST SEVEN (7) DAYS BEFORE THE HEARING. IF YOU CANNOT SETTLE, YOU MUST ATTEND THE HEARING. EVIDENCE MAY BE OFFERED AT THE HEARING AND THE COURT MAY RULE.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

THERE WILL BE A HEARING ON THIS MATTER ON APRIL 29, 2016, AT 10:00 A.M. IN THE UNITED STATES BANKRUPTCY COURTROOM AT 1300 VICTORIA ST., COURTROOM 2B, LAREDO, TEXAS 78040.

1. This motion requests an order from the Bankruptcy Court authorizing Texas Champion Bank, hereinafter “Movant,” to foreclose on or to repossess the property that is identified in the security documents.

2. Movant, directly or as agent for the holder, holds a security interest in the oil and gas properties more fully in the Deed of Trust attached hereto as Exhibit “1,” which consists of a Deed of Trust, Promissory Note, and UCC-1 Financing Statement. Said properties were pledged by the Debtor in order to secure a Promissory Note dated February 14, 2012, in the original principal sum of \$4,200,000.00 (Loan No. xxxxxx7309). The maturity of said Note was extended multiple times, with the last such extension setting the final maturity date to be

September 10, 2015. Said Note has now fully matured, and the entire unpaid balance of said Note is due and payable.

3. Movant's security interest covers not only realty collateral consisting of Debtor's interest in all unsevered and unextracted hydrocarbons, but also Debtor's interest in personalty collateral consisting of non-fixture operating equipment, all hydrocarbons severed and extracted and all present contracts, permits, and licenses relating to the oil and gas properties, and all fixture operating equipment. Movant's security interest is evidenced by Deeds of Trust recorded at Doc. #1130675, Volume 3242, Page 661, Official Public Records, Webb County, Texas, and Doc. #00304101, Volume 1342, Page 462, Official Records, Starr County, Texas. Such collateral is located in Webb and Starr Counties, Texas.

4. Debtor also executed a Promissory Note dated June 26, 2015, in the original principal sum of \$50,000.00 payable to Movant to be advanced pursuant to demand on a letter of credit (xxxxxx0168). No demand on the letter of credit has been made, and the current unpaid balance is \$0.00. However, the letter of credit is not matured and still subject to demand. Repayment of said Note is secured by a Security Agreement of even date therewith executed by Mohican Operating, L.L.C., and Debtor covering all goods and personal property of Debtor.

5. The Debtor has listed a general category under Part 8 of his Schedule B as undivided interests in well and production equipment in Webb and Starr Counties, Texas, and placed the value on such items at \$985,982.00. Movant has not appraised the values and is not in a position to admit or deny the said representation of value is accurate. Debtor also under Part 9 in identifying real property owned by the Debtor states that the real property owned by Debtor is "lease of real property Exhibit 1." An un-numbered Exhibit is attached to Debtor's Schedule identifying various leases in which Debtor claims an interest. However, Debtor fails to identify

Debtor's working interest and net revenue interest in any of the wells located on such leases. Additionally, the Debtor fails to state any value for the leases.

6. Movant does not have an appraisal on any of the collateral securing Debtor's obligation to Movant, nor has Movant been able to obtain an appraisal.

7. The total amount due and owing by Debtor to Movant as of March 28, 2016, is \$3,353,222.79, with a per diem of \$413.36 per day. Debtor's obligation to Movant matured pre-petition.

8. The Debtor pledged as collateral to Movant Debtor's interest in various wells located on the leases identified by Debtor in Debtor's Schedules. Debtor continues to operate the wells thereby depleting the oil and gas located thereon without providing any adequate protections to Movant. Accordingly, Movant is entitled to relief from the automatic stay for cause.

9. Movant certifies that prior to the filing of this Motion for Relief, an attempt was made to confer with Debtor's counsel by the following person on the following date and time: Peter E. Avots called Allan L. Potter at 3:55 p.m. on March 28, 2016. An offer to resolve this matter amicably has been made, and Movant has taken such offer under advisement. However, supporting documentation requested by Movant has not been provided, and, therefore, a final resolution has not been reached. Efforts to resolve this matter without a hearing will continue.

Date: March 31, 2016.

Respectfully submitted,

/s/ Peter E. Avots

Peter E. Avots
Federal I.D. No. 11424
State Bar No. 01456450
WOOD, BOYKIN & WOLTER
A Professional Corporation
615 North Upper Broadway, Suite 1100
Corpus Christi, Texas 78401-0748
(361) 888-9201
(361) 888-8353 (facsimile)
pea@wbwpc.com
ATTORNEY FOR TEXAS CHAMPION
BANK

OF COUNSEL:

lucinda j. garcia
Federal I.D. No. 20056
State Bar No. 07637700
WOOD, BOYKIN & WOLTER
A Professional Corporation
615 North Upper Broadway, Suite 1100
Corpus Christi, Texas 78401-0748
(361) 888-9201
(361) 888-8353 (facsimile)

CERTIFICATE OF SERVICE

I hereby certify that this 31st day of March, 2016, I caused a true and exact copy of the above and foregoing document to be served upon all parties to the court's electronic noticing system and upon the following parties in the manner specified:

Debtor:

MOG Producing LP
P.O. Box 557
Corpus Christi, TX 78403

CMRRR # 7014 0510 0001 4704 8341

Debtor's Attorney:

Allan L. Potter
Attorney at Law
P.O. Box 3159
Corpus Christi, TX 78463

ecf@allanlpotter.com

Trustees:

Barbara C. Jue
Office of the U.S. Trustee
Wilson Plaza, Room 1107
606 N. Carancahua
Corpus Christi, TX 78401

FIRST CLASS MAIL

Representing the U.S. Trustee:

Hector Duran
U.S. Trustee
515 Rusk, Suite 3516
Houston, TX 77002

Hector.Duran.Jr@usdoj.gov

FIRST CLASS MAIL OR E-MAIL:

Creditors Holding Secured Claims:

Texas Champion Bank
Attention: Travis Burris
P.O. Box 270550
Corpus Christi, TX 78427

Creditors Holding Unsecured Claims:

Gray Reed & McGraw, P.C.
Conoco Phillips
c/o David L. Brooks
1300 Post Oak Blvd, Suite 2000
Houston, TX 77056

Roberts Oil & Land Co., Inc.
8155 East Kings Hwy.
Shreveport, LA 71115

Huseman & Stewart
c/o Erik Stewart
615 N. Upper Broadway, Suite 2000
Corpus Christi, TX 78401

David R. Taggart
Bradley Murchison Kelly & Shea, LLC
401 Edwards St., Suite 1000
Shreveport, LA 71101

Persons Requesting Notice:

David R. Taggart, Esq.
dtaggart@bradleyfirm.com

Kevin P. Hanna
kevin@rankhannalaw.com

Diane W. Sanders
austin.bankruptcy@publicans.com

/s/ Peter E. Avots
Peter E. Avots